

cable modems for their Internet access, and who did not want to use the AT&T Excite at-home service, they would have to pay double, in effect paying twice.

AT&T sued our local governments, arguing that they had no right to break AT&T's monopoly over this access. The Federal court has ruled that the city was entirely within its power and could promote competition. Now AT&T is appealing that decision.

Now, most people feel that the local jurisdiction is expected to prevail. But it appears that the FCC, based on recent comments from Chairman Kennard and an article recently in the Wall Street Journal, that the FCC is not yet ready to argue against AT&T's proposed monopoly.

As a result, I am exceedingly concerned that consumers across the country may be in the bizarre situation where they have competition on the horse and buggy aspect, the two wires that come in over the telephone; but that they will have only one choice when it comes to the 90 percent that is the communication of the future the broadband. The whole point behind the judge's ruling was that we ought to have this competition.

Some are arguing that we need a uniform system to prevent 30,000 jurisdictions from around the country to have the possibility of each having their separate technical specifications. If that is indeed a problem, then let us deal with that problem specifically by providing technical standards through the FCC.

Solving the problem of technical standards by granting only one company monopoly status sounds a lot like using communism in order to assure that there would be uniform gauges for the train tracks. We can do better.

I urge that the FCC and Congress keep an open mind on the question of the impact of this local decision on the development of broadband communication infrastructure. Let us work to solve the real problems with the goal of ensuring consumer choices.

We do not have to limit the access simply to the 10 percent where there is the technology of the past on the telephone wires; and we certainly do not need to use a Communist approach in order to make sure that we have full access for technical standards.

I hope that we will be able to support local governments in this important aspect of promoting livable communities.

#### PRESIDENT'S MEDICARE PROPOSAL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Massachusetts (Mr. FRANK) is recognized during morning hour debates for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, when the President said he was going to announce the program to

expand Medicare coverage in some areas and to undo some of the negative effects of the Balanced Budget Act of 1997 using some of the additional revenues that have become available, I was ready to cheer unreservedly. I now cheer reservedly. I would give the President between 1½ and 2 cheers out of a possible 3.

The President's program is clearly better in all respects than anything we will get from the majority party in the House or from any of its presidential candidates. So I am glad that the President has moved forward. But he has not moved forward enough.

First of all, we have to be more forthright in admitting error. Now I acknowledge, Mr. Speaker, this is an error which it is easier for me to admit since I did not participate in its commitment. I am talking about the 1997 Balanced Budget Act.

Congress was very proud of the Balanced Budget Act, which cut Medicare to pay for capital gains tax cut and also put limits on other government spending which virtually everyone in the House admits are unrealistic, but admits this privately only.

What we did in 1997 was to cut Medicare indubitably. I am struck by the number of my colleagues who now acknowledge that Medicare was cut too deeply, although I am surprised by the number of them who appear not to have been in the room when it was done.

As I read, people talk about how the 1997 budget cuts now turn out unfairly to have cut Medicare. I believe that I am seeing an interesting phenomenon. I cannot remember a time in history when so many people have disclaimed responsibility for the entirely foreseeable consequences of their own actions.

The President acknowledges, having signed that bill, that there was error, but insufficiently. He is prepared to undo some of the harm of the 1997 Budget Act, but not enough. He wants to, in fact, impose some cuts in the period after 2002 when it would have ended.

The President cuts hospital still too much. We should remember, when we are talking about reimbursement to hospitals, we are not talking about the income of wealthy physicians, although physicians have a right to be concerned about their income. We are talking about cutting funds that go to pay some of the hardest working people in this society who get little money for tough jobs.

The people who staff hospitals include many people who work 7 days a week, 24 hours a day in unpleasant ways, cleaning and cooking and preparing patients. They are underpaid as a whole and ought to be paid more. We should, in fact, increase substantially over what the President proposes what we do to reimburse hospitals.

The notion that the wealthiest society in the history of the world in the midst of a booming economy cannot afford adequately to compensate people

who provide us health care is simply wrong. That same unwillingness to provide sufficient funds becomes apparent in the President's drug bill.

I give him credit for proposing that we begin to cover prescription drugs for some degree for lower income people and others on Medicare. But he does not, again, do enough. For example, the plan says at 2008, after it is fully implemented, the Federal Government will pay up to half of \$5,000 a year in prescription drugs.

Now, understand that the language supporting the bill says that will cover 90 percent to the people at that time. In other words, 10 percent of the people will still not get 50 percent coverage. Others, of course, will get 50 percent. But 50 percent coverage, if one is living on \$22,000 or \$23,000 a year, and one has got to pay \$520 a year in premiums, and then one has got to pay another \$2,500 for one's half share of the \$5,000, that is pretty significant. That is \$3,000 for drug coverage out of one's \$22,000 or \$23,000. But even that, inadequate in and of itself, takes too long to become real.

The President proposes that we start by only reimbursing people up to \$2,000 in drugs, and we reimburse for only half. So in the first year, if one is paying \$3,000 or \$4,000 a year for one's drugs, which is not unusual among older people with various ailments, the Federal Government will help one to the extent of only \$1,000 to that minus the \$288 one has to have paid in premiums in that first year.

Why phase this in to \$5,000? If the \$5,000 is the reasonable figure, why do we not get to it right away? Sometimes one has to phase things in because they are complicated. One has to make sure one gets them worked out.

But paying for half of \$2,000 is not simpler than paying for half of \$5,000. We are talking here about a purely numerical calculation. There was no justification whatsoever either, in my judgment, for the fact that it is too low or for the fact that it takes so long to reach that number unless we want to cut taxes by \$800 billion or \$900 billion.

It is true, if one begrudges public spending even for important purposes such as helping older people pay for their medications, then one cannot afford this. But the President correctly repudiates the Republican effort to cut \$800 billion or \$900 billion. The President understands that that would be excessive. He should follow through on his understanding.

Inadequately compensating hospitals is not in the interest of this country. Refusing to acknowledge the error that this Congress and this President made in 1997, the Balanced Budget Act, is a mistake, and having too small a prescription drug program ill-suits a country of our wealth.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.